

A nonprofit organization acting as a clearinghouse and course coordinator by bringing together instructors and interested students in a community for purposes of instruction is exempt under section 501(c)(3) of the Code.

Advice has been requested whether the activities of the organization described below qualify as charitable for purpose of exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 where the organization otherwise qualifies for such exemption.

The organization was formed to act as a clearinghouse and course coordinator by bringing together instructors and interested students in a certain community. It publishes a bulletin listing scheduled courses that have been reviewed and approved by a coordinating committee appointed by the organization. The bulletin is distributed to all local university student unions and libraries, and some churches, bookstores, and other public places.

The organization maintains no regular curriculum and provides no credits, grades, or degrees. Enrollment is open to anyone who pays a small registration fee: there are no additional tuition charges. Course subjects, ranging from handicrafts to philosophy and economics, are taught at various locations in the community by instructors who receive no salary. The content of the courses, and the manner of their presentation are such that the instruction may be said to be useful to the individual and beneficial to the community. The organization does not approve any course that is illegal or that advocates or endorses the commission of illegal activities.

Anyone who considers himself qualified to teach may submit a proposed course description for the review and approval of the coordinating committee. In controversial courses, the committee insures that a full and fair exposition of all viewpoints and facts are presented by monitoring classes and canceling those which do not permit equal opportunity of expression.

The committee also meets with instructors once each semester to determine those courses which it will continue to offer in light of the number of students in attendance and the problems encountered by instructors.

The organization's income is from registration fees and donations. Expenses are for staff salaries, rent, printing, and advertising.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations

provides that the term 'charitable' is used in section 501(c)(3) in its generally accepted legal sense, which includes advancement of education.

By enabling students and instructors to come together for purposes of instruction on subjects useful to the individual and beneficial to the community, the organization is advancing education.

Accordingly, it is held that the organization is exempt from Federal income tax under section 501(c)(3) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Exemption Application, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.